



IDEAS | PEOPLE | TRUST

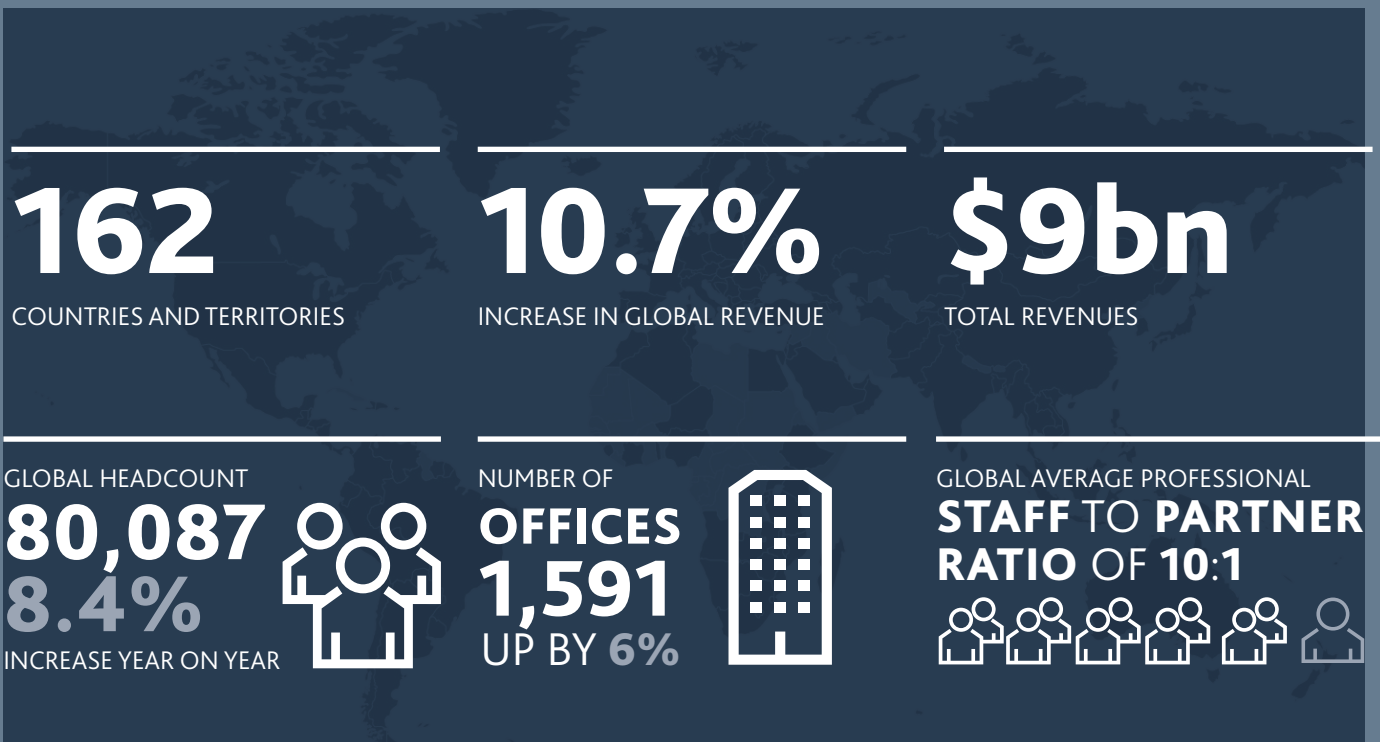
UN GLOBAL COMPACT COMMUNICATION OF PROGRESS

OUR 2019 STORY

This report relates to BDO (UK) LLP



BDO LLP is a key member of the BDO global network of public accounting, tax and advisory firms. The firms have representation in 162 territories, with over 80,000 people working out of over 1,500 offices. The fee income of the member firms in the BDO network, including the members of their exclusive alliances, was \$9 billion as at 30 September 2018. Being a member of the BDO global network allows us to meet the needs of clients who are growing and trading internationally.





IDEAS | PEOPLE | TRUST

Antonio Guterres
Secretary-General
United Nations
New York
NY 10017
USA

Dear Secretary General,

We are pleased to be supporting the United Nations Global Compact and to be a part of the network of organisations adhering to the UN's aims and their guiding principle across human rights and responsible corporate citizenship.

At BDO our vision is to remain 'an independent, sustainably profitable and globally focussed business, known for helping people and businesses succeed.'

As professional accountants and business advisers, the work we do each day is vital to providing the confidence necessary for the proper functioning of a market economy. Our auditors need to give access to trustworthy financial information to shareholders, employees and the public. Our tax advisers need to support individuals and businesses to comply with their tax obligations. Our risk and advisory specialists can ensure companies push for quality internal controls to keep their business decisions on track. And our international assurance experts help the international development and donor community ensure their funding is reaching the right programmes at the right time. Achieving this is based on our core purpose 'Helping you succeed' and underpinned by our Values. I believe this framework is wholly aligned with the goals of the UN Global Compact.

In our annual Communication on Progress, we describe how our actions reflect our commitment to The Ten Principles through our business strategy, culture and daily operations and how we look to continually improve our adoption in future years.

Yours sincerely,

PAUL ENGLAND
Managing Partner

On behalf of BDO LLP



1. HUMAN RIGHTS

OUR VALUES

At BDO we are committed to ensuring all our staff, and those working in our supply chain, have their human rights respected and that we uphold the protection of internationally proclaimed human rights throughout our values, practices, policies, and culture.

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2

Make sure that they are not complicit in human rights abuses.



OUR VALUES



OUR VALUES IN ACTION

Our values underpin everything we do at BDO. In relation to human rights this means we are committed to 'mutual support and respect' regardless of background and status. Examples of our values in action include:

- ▶ Though our supplier [Code of Conduct](#) we ensure that our supply chain respect human rights to our exacting standards. Our support of human rights resonates with the aims of the UN and our continuing fight against modern slavery in our supply chain through targeted spot checks of vulnerable industries and upon on-boarding suppliers and respective supply chain
- ▶ We have launched a new Code of Conduct for our BDO partners and staff, which our Institute has used as an example of best practice
- ▶ We have promoted a new, independently-run whistleblowing helpline, through which staff can confidentially raise any concerns
- ▶ BDO is a Stonewall '[diversity champion](#)' employer and holds 'startingout' employer status. We are committed to diversity and ensuring that everyone at BDO can be themselves at work
- ▶ Our BLEND network supports our LGBT community and helps the firm as a whole to be an attractive place to work for all
- ▶ Our leadership team at BDO champions a 'be yourself' agenda leading from the front and encouraging everyone to be authentic their whole self at work.

1. HUMAN RIGHTS

UNIFYING CULTURE

Our strategy specifically includes fostering a Unifying Culture, where our people are:

Encouraged to be yourself: we value our people as individuals and want our staff to realise their highest aspirations. We know that if staff bring their 'full self' to work they are far more likely to be successful. Our people have a voice and their opinion counts.

Inspired and challenged: our personal career plans are designed to inspire and challenge; we expect our staff to shape their career according to their strengths, skills and personality.

Collaborative: sharing and applying knowledge and ideas remains one of the most powerful things an organisation can do, at BDO we expect everyone to play their part.

Successful: each of us have our own definition of success, we want to help our people define and achieve theirs. In doing so we will ultimately contribute to the overall success a unified whole.

THE POWER OF FOUR

We have four Values, which complement each other and all contribute to our success and to that of our clients. They act as a yardstick to measure our behaviours. We advocate:

HONESTY AND INTEGRITY: Be transparent, genuine and fair. Operate with the highest degree of personal and professional integrity.



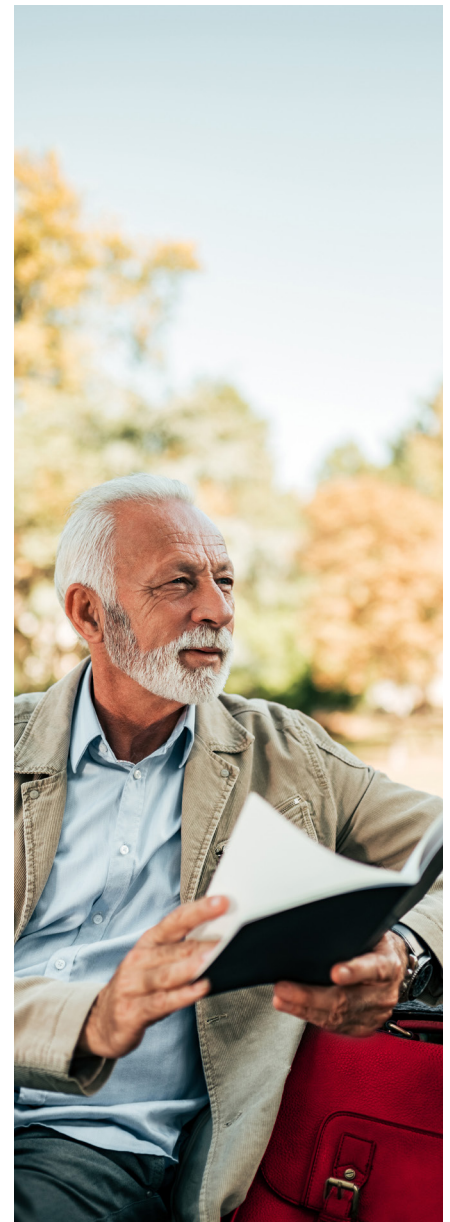
EMPOWERMENT AND PERSONAL RESPONSIBILITY: Work with confidence, flexibility and freedom. Understand that trust and responsibility go hand-in-hand.



MUTUAL SUPPORT AND RESPECT: Value and support each other. Maintain a working environment where teamwork and relationships matters.



PROFESSIONAL AND PERSONAL CLIENT RELATIONSHIPS: Understand the person, as well as the business. Build relationships based on respect, trust and exceptional service.



1. HUMAN RIGHTS

UNIFYING CULTURE

We've been making connections between existing and new communities across BDO to share our stories.

We meet regularly with our various network groups, individually and collectively such as BLEND (our LGBTQ+ network), BDO Inspire (our women's network), Islamic Network, Jewish Network and BAME Society to help us better understand barriers and opportunities. This approach helped us to identify three initial priorities – which will naturally evolve as we develop as a business and respond to the changing world and workforce:

- ▶ Wellbeing
- ▶ Be Yourself
- ▶ Citizenship.

We believe that by driving success in these three culturally important areas, we will achieve our vision to be an independent, sustainably profitable and globally-focused firm, known for helping businesses and people succeed.

We encourage everyone to be themselves. At the end of the day it is about knowing you can be authentic and will be valued and respected for who you are. And that's important for people wanting to join BDO and stay with BDO.



OUR 'U' BOARD STRATEGY

THE U BOARD STRATEGY WILL SHAPE, STRENGTHEN AND EMBED OUR INCLUSIVE CULTURE – FOR TODAY BUT ALSO TOMORROW

FOSTERING A UNIFYING CULTURE WHERE WE ARE ENCOURAGED TO BE OURSELVES, ARE INSPIRED AND CHALLENGED, COLLABORATIVE AND SUCCESSFUL



1. HUMAN RIGHTS

OUR LOCAL COMMUNITY NETWORKS

BAME
NETWORK

BLEND

BDOINSPIRE

BDO
ISLAMIC
NETWORK

JEWISH
network

A NETWORK OF NETWORKS

Well-represented groups with strong and prominent role models are important throughout BDO.

We embrace individuality along with collaborative working. We believe that 'difference' is what makes us great and what strengthens our team, which is why we foster an inclusive culture at BDO which encourages people to be themselves.

We have a number of network groups run by our people who celebrate each other. In the last 12 months, our networks have:

- ▶ Launched an Allies network – led by our LGBTQ+ network (BLEND) but supported and appreciated by all our networks
- ▶ Worked together on cross-network projects to share their stories, aims and challenges together
- ▶ Launched a regular BAME podcast to share stories and discuss 'life' issues
- ▶ Run a sponsored fast challenge during Ramadan
- ▶ Launched a series of practical skills-based events to help people overcome personal barriers
- ▶ Helped us to launch our first ever Inclusion Survey
- ▶ Shared tips and ideas on how to #BalanceForBetter on International Women's Day.



THE STORY

A junior colleague and I were discussing identity and belonging following political events in their home country. They said that seeing me wearing my cultural clothes for work and proudly mixing it with my British upbringing gave them a sense of pride in their own heritage. That's what 'Be Yourself' means to me. Being true to yourself and inspiring others."

International Accounting Services Manager



2. LABOUR STANDARDS

OUR CORE PURPOSE

At BDO we are committed to implementing the highest standard of labour practices and to complying with UK labour law in all cases.

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

PRINCIPLE 4

the elimination of all forms of forced and compulsory labour

PRINCIPLE 5

the effective abolition of child labour

PRINCIPLE 6

the elimination of discrimination in respect of employment and occupation

OUR CORE PURPOSE



OUR CORE PURPOSE IN ACTION

Our core purpose and values underpin everything we do at BDO. In relation to labour standards this means we are committed to 'helping you succeed' – both our clients and our people. Examples of our core purpose in action include:

- ▶ Our employment policies are in line with and/or exceed UK Labour standards and are consistently reviewed
- ▶ At a policy and legal level BDO complies with the [Modern Slavery Act](#)
- ▶ We publish Gender Pay Gap reports annually and have committed to the "Women in Finance" Charter as part of our Gender Balance strategy
- ▶ We are a Stonewall "diversity champion" employer and "startingout" employer status. Our BLEND network supports our LGBT community to be themselves

- ▶ As part of the leadership strategy we are committed to a "Unifying Culture" and we have established a "U Board" which coordinates all of our activity related to our firm's culture. [Our 2019 Culture Report is available here](#)
- ▶ We set rigorous standards for our suppliers through our Supplier Code of Conduct.

2. LABOUR STANDARDS

BE YOURSELF

Our 'Be Yourself' strategy incorporates a number of different inclusion agendas.

We ran our first Inclusion Survey in 2018 to help us find out more about our BDO population. This allowed us to make decisions that are informed by the facts of today to ensure we're focusing our efforts on the right areas (actual rather than assumed challenges) and having an impact that creates measurable and sustainable progress.

Our results are consistent with our peers but we need, and want, to do better. What is particularly evident is the male-female ratio at director and partner level. We have set in place a BE INSPIRED action plan, which summarises a detailed programme of local and national activity led by the Leadership Team, our U Board, BDO INSPIRE (our women's network) and a group of passionate people, with the aim of ensuring there are no barriers preventing our talented people from succeeding, irrespective of gender, race or religion etc. so far we've:

- ▶ Improved our Gender Pay Gap, now at 16.7% mean and in line with industry averages
 - ▶ Started the next cohort of senior women taking part in the 30% Club's mentoring programme. In the past five years, more than 85 of our senior women have taken part – and we'll have a record-breaking 30 people taking part this coming year!
 - ▶ Discussed gender balance and our Gender Pay Gap data directly with each Leader across the firm
 - ▶ Re-checked our Early In Careers advertising to ensure it is accessible to any gender and implemented 'inclusive recruitment' training guides for people running interviews
 - ▶ Requested that our recruitment agencies and headhunters work with us to look at how we can comply with the Davies report recommendations of having 30% of shortlists comprised of women
 - ▶ Sponsored One Loud Voice, an organisation campaigning for gender equality
 - ▶ Supported a number of people through their first Shared Parental Leave experience
 - ▶ And revised and re-promoted all our 'Life Event' policies.
- ▶ Signed up to HM Treasury's Women In Finance Charter, a pledge for gender balance across financial services. This is a commitment by HM Treasury and signatory firms to work together to build a more balanced and fair industry. We signed up with a target of achieving 20% female partners by July 2021
 - ▶ Increased the number of female partners to 17%. Our wider management is 25% female and our entire BDO UK population is 49% female
 - ▶ Seen our proportion of female partner promotes increase: 38% of our people promoted to partner this year were female

According to BDO's 2018 inclusion survey – called **BDO DNA** – we found:

GENDER BALANCE

Female: 47.12%

Male: 51.96%

Prefer to describe: 0.21%

Prefer not to say: 0.63%

SEXUAL ORIENTATION PROFILES

Heterosexual: 94.8%

LGB: 2.9%

Prefer to describe: 0.1%

Prefer not to say: 2.1%

OTHER PROFILES

BAME profile: 17.6%

Proportion who are working parents: 28.4%

Proportion who are carers: 3.8%



2. LABOUR STANDARDS

WELLBEING

We've Launch of 5 Ways of Wellbeing: Connect, Take Notice, Keep learning, Give and Be Active. Our people have been embracing this by having 'standing' meetings, going for lunchtime walks, having coffee breaks to talk and, more importantly, making these behaviours stick.

DOING WELL ON WELLBEING



Mental health has been a focus and we have celebrated Mental Health Awareness Week and World Mental Health Day. Recognising we are not experts in this space, we work closely with those who are, including MIND with whom we have worked closely for many years.



We have started to train mental health first aiders – our U Board all volunteered to be the first to be trained, demonstrating our senior leaders' commitments to this agenda.



Our 32 Wellbeing Champions continue to be passionate about wellbeing and locally championing our wellbeing strategy and promoting the 5 Ways of Wellbeing.



We achieved a Silver Award in the MIND Workplace Wellbeing Index in recognition for our increased focus on Wellbeing – an improvement since last year's Bronze Award.



More than 1,000 people took part in our firm-wide Step Challenge, stepping 265 million steps across the UK in May. We were so pleased with the engagement with the Challenge, but even more with personal and team achievements that followed.



BDO's National Football Tournament was the most popular ever this year, with 505 of BDO's colleagues making the journey to London to play a series of men's and women's football games over the weekend.



Seats for our resilience training – called 'Performance Under Pressure' – sold out in record time. We ran 24 classes over the 12 months.



2. LABOUR STANDARDS

CITIZENSHIP

We also make a difference by sharing our skills, time and passion with the community. This activity keeps us inspired, engaged and energised, individually and collectively – and very proud of our culture. Helping not just each other or our clients but also helping society succeed.

For many years, BDO has offered ten CSR days to everyone. This is often quoted back to us in interviews about why people want to come and work here.

But the take-up of days was actually quite low in practice. So the U Board analysed it and talked to our U Leaders and local CSR Champions – which gave us a new idea.

Don't worry – the plan was never to take any of those ten days away; that wouldn't be the right thing to do. It was to help people use their days in a motivating way that, when put together, really do help our society and teams succeed.

5+5

Our new approach is called 5+5:

- ▶ 'My Action 5' – five days can be used for the usual fundraising, volunteering or team-building days as people currently do – we call them action days.
- ▶ 'My Strategic 5' – the other five days are called strategic days – where people can use their professional skillsets to really make a difference. It might be as a trustee of a charity, working on a big societal challenge with some of our Tech Track companies or going into schools to help with interview prep or CV writing.

Volunteering and fundraising is extremely important – to individuals at BDO and to the hundreds of communities we continue to support. There are simply too many stories to share in this report; they span from our Birmingham team clearing the Saltwells Local Nature Reserve in Dudley, our Islamic Network's Eid celebration dinner which raised enough money to sponsor four orphan children for a year and our Leeds team volunteering at St George's Crypt, a homeless shelter in Leeds.

But, as a purpose-led firm, we need to do more than just take days out to do good deeds. We aspire to leave a legacy, which is about creating a future BDO for our people, stakeholders and society as a whole. There are things we need to do as a firm to maximise our positive impact on the world around us, but if we enable our people to make a difference at the same time, our impact will be far greater. Our Citizenship priority provides us with a 'check and balance' that we're being a good corporate citizen and about our overall contribution to society.



MONEY MATTERS

- ▶ We enable Payroll Giving that encourages employees to make tax-free donations to charities directly from their salary. BDO employees have generously donated a combined total of more than £100,000 to a range of different causes through our Payroll Giving scheme, where BDO covers the admin cost so that 100% of donations reach the charities.
- ▶ This level of Payroll Giving has been recognised with a Bronze award for BDO, according to the Payroll Giving Quality Mark.
- ▶ The BDO Charitable Trust makes discretionary grants and matched donations. In the financial year to July 2019, the total Matched Giving contribution from BDO was nearly £42,000.

2. LABOUR STANDARDS

SOCIAL MOBILITY

Given that our Managing Partner joined BDO straight from school in 1987, after working in Walthamstow Market and choosing to join the workforce rather than go to university, you'd expect us to care a great deal about social mobility. And we do.

WE:

- ▶ Were a founding partner in the creation of the social mobility drive called 'Access Accountancy' in 2014. This continues to provide greater opportunities to talented UK students from disadvantaged backgrounds. We were the first major accountancy firm to offer the higher apprenticeship in audit
- ▶ Expanded our long-established school leaver programme. Both our graduate and school leaver programmes are now aligned to the Level 7 Accountancy / Taxation Professional Apprenticeship standard. Upon completion, our trainees will then qualify as an ICAEW, CIOT, CIMA or ACCA member and will also hold a Level 7 Accountancy / Taxation Professional Apprenticeship, which is the equivalent to a Master's degree
- ▶ Take part in a range of mentoring and internships with organisations specifically targeting inner city schools and students from disadvantaged backgrounds
- ▶ Ran our first BDO National Apprenticeship Service broadcast this year, which more than 80 schools streamed to their A level students
- ▶ Launched a Summer School for A level students, which helps to bridge the gap between students who have previously had access to work experience and those who haven't
- ▶ Introduced 'Insight Days' to allow school pupils from a variety of state schools and colleges to spend time at our offices across the country, helping to familiarise themselves with professional environments, recruitment processes and the accountancy industry
- ▶ Support our trainees through their exams, including study time, and our excellent results speak for themselves – regularly up to 10% above the national average
- ▶ We're delighted to have just welcomed 90 new apprentices into this year's new cohort of BDO trainees.



3. ENVIRONMENT

OUR ENVIRONMENTAL IMPACT

BDO is a responsibly managed firm that aspires to exceed market expectations across all sustainability issues and go beyond legal compliance to proactively reduce our environmental impacts. Our goals are to reduce our overall carbon footprint by embedding environmental controls and achieve a greener culture.

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges

OUR APPROACH TO ENVIRONMENTAL IMPACT

We are monitoring and minimising our impact on the environment. As well as establishing an environmental management system and KPIs, we are promoting environmental awareness amongst partners and staff.

- ▶ Our ambitious plans to reduce our environmental impact are set out in our [2017-18 Carbon Footprint Report](#). Our commitments go beyond what is required for compliance
- ▶ We achieved ISO14001 certification for environmental management in 2010 and have retained it since
- ▶ [Our full environmental policy can be found here:](#)
- ▶ We have introduced environmental criteria to our procurement processes, extending our ambitions to our supply chain

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility.

As we consider the world around us and BDO's role within it, we acknowledge our relationship with the environment:

- ▶ We are reducing and minimising our impact on the environment. We've been tracking our environmental impact through our Carbon Footprint Reports for seven years, ensuring our commitments go beyond what is required for compliance.
- ▶ Working with Carbon Smart, we have increased our Carbon Footprint Reporting so we see the data and can make decisions quarterly rather than annually. We have best-practice environmental systems and are recognised as managing our environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability, which is why we have been recredited with the ISO14001:2015 certificate.
- ▶ This year, we have removed disposable plastic cups from our offices, replacing them with a BDO-branded water bottle for hot and cold drinks for every member of staff.

PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies

- ▶ We have also recently launched the Environmental Champion group with each office having passionate people who can interact with their own offices and departments as well as with others to improve our environmental commitments. We have trained 37 Environmental Champions, with further training sessions scheduled throughout 2019 and 2020.
- ▶ We also work with some wonderful clients advising them on a variety of sustainability projects, including the development of Circular Economy, forest protection technology and renewable power programmes.



4. ANTI-CORRUPTION

BDO holds itself to the highest standards of ethical behaviours and has a zero tolerance approach to all forms of corruption and bribery. This is embedded in our values and implemented throughout our supply chain.

PRINCIPLE 10

Businesses should work against all forms of corruption, including extortion and bribery.

OUR APPROACH TO ETHICS AND ANTI-CORRUPTION

At BDO, we don't see ethics and compliance as a standalone undertaking: the behaviours expected by our regulators, the ICAEW, are already embedded in the firm's values, our commitment to quality, our strategic framework and, critically, our working culture.

- ▶ BDO is heavily regulated as a firm and all partners and staff comply with the ICAEW code of ethics.
- ▶ Extensive ethics and money laundering and anti-bribery training for all partners and staff is mandatory each year.

- ▶ We have a designated Ethics Partner, Anti Money Laundering Officer, and Risk and Quality Partner.
- ▶ Our [Annual Transparency report](#) documents our approach to ethics
- ▶ We take an active role in the wider anti-corruption agenda, for example as a signatory to the joint statement of support to the London Anti-Corruption Summit.





FOR MORE INFORMATION:

PAUL EAGLAND

+44 (0) 20 7893 2435
paul.eagland@bdo.co.uk

This publication has been carefully prepared, but it has been written in general terms and should be seen as containing broad statements only. This publication should not be used or relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained in this publication without obtaining specific professional advice. Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any responsibility or duty of care in respect of any use of or reliance on this publication, and will deny any liability for any loss arising from any action taken or not taken or decision made by anyone in reliance on this publication or any part of it. Any use of this publication or reliance on it for any purpose or in any context is therefore at your own risk, without any right of recourse against BDO LLP or any of its partners, employees or agents.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO member firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

Copyright © October 2019 BDO LLP. All rights reserved. Published in the UK.

bdo.co.uk

